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☐ RELEASE ☐ DECLASSIFY  
☒ EXCISE ☒ DECLASSIFY EO Citations  
☐ DENY IN PART

FOIA Exemptions Bi ☐ CLASSIFY as ☐ S or ☐ G Sec  
PA Exemptions ☐ DOWNGRADE TS to ☐ S or ☐ G

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ACTION EAP-01

INFO LOG-00 ACDA-10 ACDE-00 AIT-03 CIAE-00 OASY-00 DODE-00

DOEE-00 ANHR-01 SRPP-00 FBIE-00 H-01 TEDE-00 INR-00

LAB-01 L-01 ADS-00 M-00 NSAE-00 NSCE-00 OMB-01

PA-00 PM-00 PRS-00 P-00 SP-00 SS-00 TRSE-00

USIE-00 SA-01 PMB-00 DRL-09 G-00 /029W

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FM AMEMBASSY BEIJING

TO SECSTATE WASHDC PRIORITY 0984

INFO ASEAN REGIONAL FORUM COLLECTIVE

AMCONSUL SHENYANG

AMCONSUL SHANGHAI

AMCONSUL HONG KONG

AMCONSUL GUANGZHOU

AIT TAIPEI 0174

USCINCPAC HONOLULU HI

AMCONSUL CHENGDU

C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 008238

E.O. 12958: DECL: 1.6X5, X6

TAGS: PREL, PBTS, CH, TW, XC

SUBJECT: ASEAN REACTION TO CHINESE MILITARY EXERCISES:

SHORT-TERM CONCERN, LONG-TERM WORRY

REFS: (A) KUALA LUMPUR 940, (B) JAKARTA 1899, (C) HANOI

978, (D) HANOI 959, (E) BANDAR SERI BEGAWAN 178

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1. CONFIDENTIAL -- ENTIRE TEXT. CLASSIFIED BY WILLIAM A. STANTON, POLMINCOUNS. REASON: 1.5 (B), (D).

2. SUMMARY: CONVERSATIONS WITH ASEAN DIPLOMATS HERE SUGGEST THAT CHINA'S ONGOING DISPLAY OF MILITARY PRESSURE AGAINST TAIWAN HAS ELEVATED CONCERN ABOUT POSSIBLE PRC WILLINGNESS TO USE FORCE TO SETTLE DISPUTES. THAI AND VIETNAMESE DIPLOMATS POINTEDLY NOTED THAT THE PRC EXERCISES WERE AT ODDS WITH EFFORTS TO DEBUNK THE "CHINA THREAT" THEORY. OUR ASEAN CONTACTS NONETHELESS SAW CHINA AS LIKELY TO REMAIN FAR MORE CONCILIATORY IN HANDLING THE SPRATLYS DISPUTE THAN THE "INTERNAL" PROBLEM OF TAIWAN. THE THAI DIPLOMAT CONCLUDED THAT THE PRC GOVERNMENT WAS PROBABLY SATISFIED BY THE "WEAK" REGIONAL REACTION TO THE CURRENT MILITARY EXERCISES. END SUMMARY.

SHORT-TERM REACTION

3. THAI EMBASSY [ ] OPINED ON MARCH 14 THAT CHINA WOULD PROBABLY BE "QUITE SATISFIED" AS IT EXAMINED THE "WEAK" REGIONAL RESPONSE TO THE CURRENT CHINESE EXERCISES IN THE TAIWAN STRAIT. [ ] STATING THAT HE HAD JUST WATCHED TELEVISED REMARKS BY HIS COUNTRY'S DEPUTY PRIME MINISTER EXPRESSING CONCERN AND URGING RESTRAINT, SAID THAT HE DID NOT EXPECT THAT THE THAI GOVERNMENT WOULD MAKE THOSE SAME POINTS IN A DEMARCHE NOR IN A MORE THAN PERFUNCTORY WAY DURING PRIME MINISTER BANHARN'S ECONOMIC-ORIENTED TRIP TO CHINA AT THE END OF THE MONTH.

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4. PHILIPPINE EMBASSY [ ] INDICATED ON MARCH 14 THAT HER COUNTRY HAD NOT DELIVERED

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A DEMARCHE IN BEIJING IN PARALLEL WITH THE ONE URGING RESTRAINT WHICH HAD BEEN DELIVERED IN MANILA TWO DAYS EARLIER BY THEN-ACTING FOREIGN AFFAIRS SECRETARY SEVERINO. SHE STATED THAT SHE EXPECTED SEVERINO TO RAISE THE SUBJECT AGAIN DURING ONGOING BILATERAL CONSULTATIONS IN MANILA WITH CHINESE VICE FOREIGN MINISTER TANG JIAXUAN. VIETNAMESE EMBASSY [

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[ INDICATED ON MARCH 14 THAT THERE HAD BEEN NO PRC REACTION YET TO A MARCH 11 VIETNAMESE FOREIGN MINISTRY PUBLIC STATEMENT URGING RESTRAINT BY BOTH SIDES.

#### LONGER-TERM WORRY

5. OUR THAI SOURCE, ECHOED ON MARCH 15 [

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[ PREDICTED THAT CHINA WOULD PAY A LONGER-TERM PRICE FOR THE EXERCISE, WHICH WORKED AT CROSS PURPOSES WITH EFFORTS TO DEBUNK THE "CHINA THREAT" THEORY. [ REMARKED THAT THE EXERCISES RAISED QUESTIONS ABOUT WHETHER CHINESE DOMESTIC POLITICS ALLOWED THE COUNTRY'S POLITICAL LEADERS TO HAVE FULL CONTROL OVER THE DESIRE OF THE MILITARY TO "DO SOMETHING" TO DEMONSTRATE RESOLVE. AS A RESULT, [ SAID, THAILAND, AS WELL AS OTHERS IN ASEAN, WOULD HAVE INCREASED WARINESS ABOUT CHINESE INTENTIONS IN THE REGION, ALTHOUGH IT HAS STILL TOO EARLY TO PREDICT WHAT THE PRACTICAL IMPLICATIONS OF THIS HEIGHTENED CONCERN WOULD BE.

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6. [ HER COUNTRY WATCHED THE EXERCISES WITH PARTICULAR CONCERN, GIVEN THE CLOSE PROXIMITY OF THE PHILIPPINES TO TAIWAN. NEVERTHELESS, SHE SAID, LIKE OTHER ASEAN NATIONS, THE PHILIPPINES DID NOT FEEL IT COULD TAKE A STRONG STAND AGAINST THE EXERCISES. SHE COMMENTED THAT THE CHINESE DISPLAY OF FORCE WOULD PROBABLY TEND TO EXACERBATE THE INCREASE IN REGIONAL ARMS SPENDING. SHE ADDED WRYLY THAT IT HAD ALREADY BEEN OBVIOUS THAT THE PHILIPPINE ARMED FORCES WAS NOT EQUIPPED TO EFFECTIVELY DEFEND HER COUNTRY.

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A MORE RESTRAINED ON "EXTERNAL" SPRATLY DISPUTE

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7. OUR PHILIPPINE SOURCE OBSERVED, HOWEVER, THAT CHINA'S DISPUTE WITH OTHER NATIONS OVER THE SPRATLY ISLANDS WAS QUITE DIFFERENT THAN THE "INTERNAL" TAIWAN SITUATION. SHE EXPRESSED CONFIDENCE THAT CHINA WOULD STICK TO ITS COMMITMENTS TO DISCUSS THE SPRATLYS AT THE NEGOTIATING TABLE, AND INDICATED THAT THE PHILIPPINES MIGHT

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CONFIDENTIAL SECTION 02 OF 02 BEIJING 008238

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PROFITABLY DISCUSS THE SPRATLYS WITH CHINA THROUGH  
EXPERT-LEVEL TALKS, AS VIETNAM AND CHINA HAD RECENTLY  
STARTED TO DO. THE VIETNAMESE EMBASSY'S [ ] ALSO DREW  
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A LINE BETWEEN CHINA'S WILLINGNESS TO DISPLAY FORCE  
TOWARD TAIWAN AND PRC TREATMENT OF THE SPRATLY DISPUTE.  
HE COMMENTED THAT, AS AN "EXTERNAL" QUESTION, THE SPRATLY  
DISPUTE WOULD ELICIT A VERY DIFFERENT CHINESE ASSESSMENT  
OF THE INTERNATIONAL COSTS OF THE THREAT OF MILITARY  
FORCE. IN THE SHORT- AND MEDIUM-TERM, [ ] SAID,  
CHINA'S FOCUS ON ECONOMIC DEVELOPMENT WOULD DICTATE  
CHINESE WILLINGNESS TO DISCUSS THE SPRATLYS WITH OTHER  
NATIONS AT THE NEGOTIATING TABLE, EVEN IF, IN THE  
LONG-TERM, A BETTER CHINESE MILITARY MADE POSSIBLE BY A  
MUCH LARGER ECONOMY INTRODUCED WORRISOME PRC  
CAPABILITIES. SASSER

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